

CREATING A VIBRANT CITY

AN INTEGRATED DESIGN AND DEVELOPMENT CONCEPT

COMMERCIAL DISTRICT AND WATERFRONT MARINA AND BEACH FRONT PARK

DES MOINES, WASHINGTON

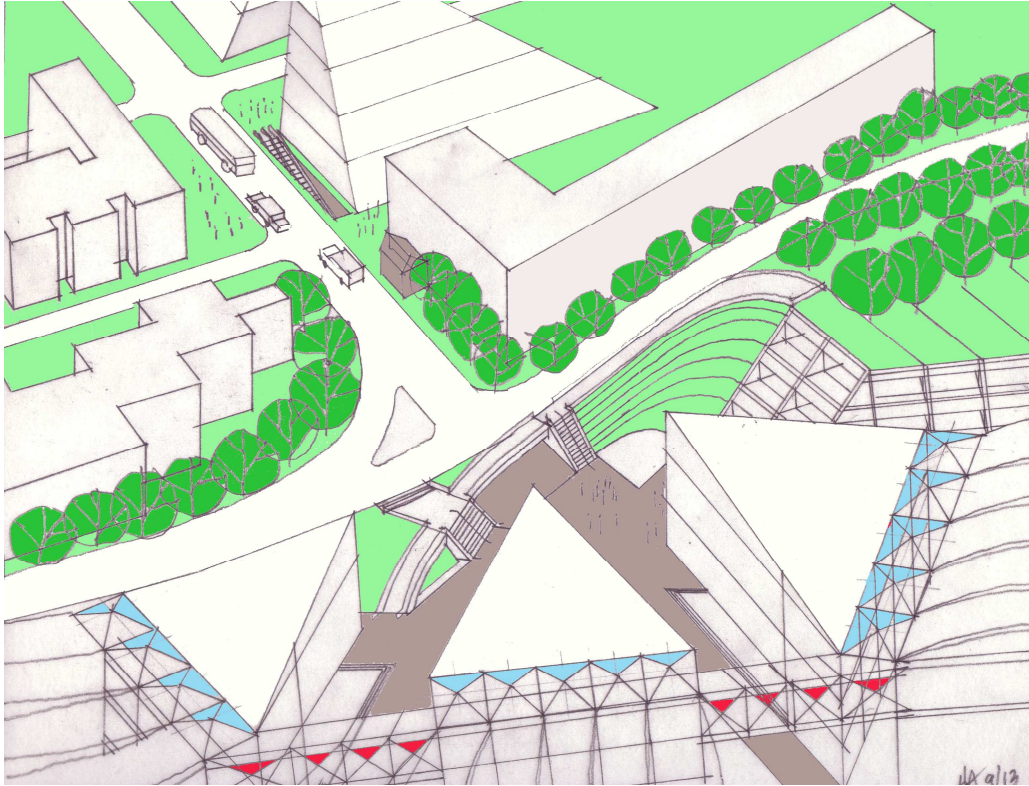
In reading the 4 questions raised by the City of Des Moines in the City of Des Moines letter dated August 30, 2013, we have stepped back and looked at this development opportunity as part of a larger effort in Creating a Vibrant City responding to the needs and aspirations of the Citizens of the City of Des Moines and its Government and answering first three questions of the list of 4 questions with a comprehensive design/development concept or solution that we believe will move forward the basic premise of the Downtown and Waterfront Marina propelling the entire City to a 21st Century attractive design with financial and social and economic benefits.

1. **Development Concept:** *The Panel remains committed to recommending a development concept that achieves the Citizen Advisory concept of a blend of Options 2 and 3 with a strong commitment to marine services; public plaza and stairway/elevator connections; and adequate parking for the Marina users, the Beach Park wedding and event venue, farmers market and any new development. Please submit brief, clear delineation of how this will be addressed.*
2. **Connection to Downtown:** *The plan must demonstrate physical integration for both pedestrians and vehicles between the Marina floor and the downtown commercial district to the east along the S. 223rd Street/Cliff Avenue corridor, and create benefits for existing businesses (versus pulling business away from or detracting from those businesses). One way to do this would be to include additional project elements that extend off the Marina floor such as a project located on 6th or 7th Avenue. Please submit brief, clear delineation of how this will be addressed.*
3. **Parking:** *The plan must result in a net increase in available parking in or adjacent to the project area, to ensure there is adequate parking to serve the new development as well as current and future Marina and Beach Park users without impacting the existing Marina District/Downtown parking supply. Please submit brief, clear delineation of how this will be addressed.*

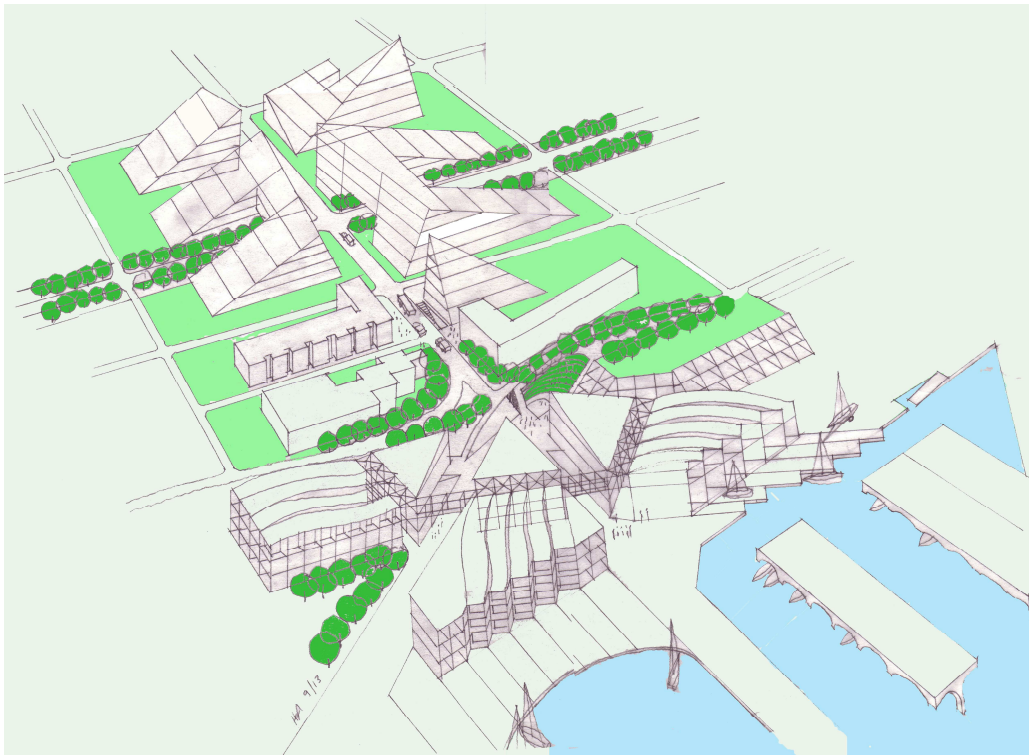
Identify the Commercial Area to be considered as the vital base of “A Vibrant City” in ARCADD’s and Dr. Ashkouri’s response:

The integrated development being presented below is rather a natural extension of the ideas already presented at the City Hall by Dr. Ashkouri for the Marina and Beach Front Park Development commencing at Cliff Avenue South and S223rd Street all the way east to the intersection of S 223rd Street and 7th Avenue S. The concept ties the north-south and east-west elements of Downtown and turns the City Center into an active vibrant group of city blocks with buildings and landlords who are proud of their presence in downtown and their current and future accomplishments.

The connection to the proposed Marina and Beachfront Park Development and intersection of S 223rd Street and 7th Avenue S will be made through new green area off Cliff Avenue South and S223rd Street allowing for parking for 250 cars, public transit station as well as a series of buildings and landscaping which will include an underground connector to 6th Avenue S, a series of escalators and ramps with handicap elevators connecting the Marina and Beach Front Development at the Open Amphitheater Commercial Area about 35-40 feet above the Marina Elevation. We have selected the firm of Reid Middleton in parking and transit engineering.

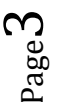


Connectors to 223rd Street S at Cliff Avenue S to Lower elevation at the Marina
First Commercial District Area, S223rd Street and 7th Avenue S:

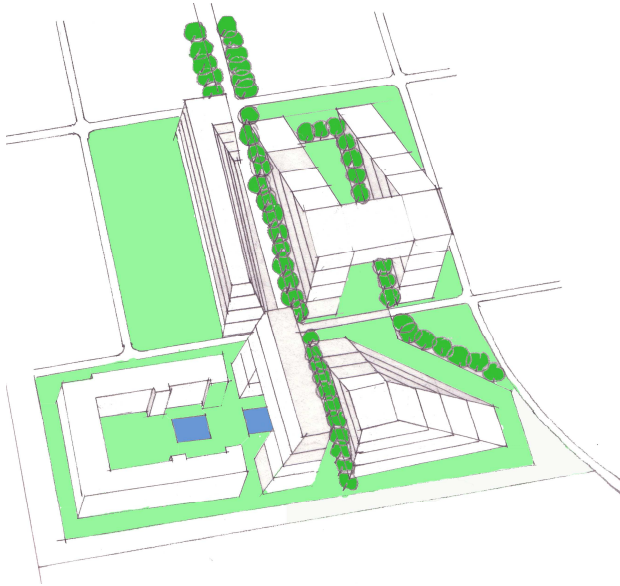


Arial View of S223rd Street and 7th Avenue S from Marina Point of View

What might make the City more vibrant is some of the ideas brought to our attention by the Office of Community Development where Dr. Ashkouri learned that there might be a potential for a proposed idea to build a new City Hall in the Heart of the Commercial District of the City of Des Moines along S223rd Street development. This potential can also include a new structure for the City Library. This idea deserves further study and analysis from a functional, economic and feasibility points of view, but it can create a close proximity of these important City functions to the heart of downtown.



Second Commercial District Area, S 227th Street and 7th Avenue S:



227th Street S and S7th Ave plus Parking

The Second Area of Interest in creating a vibrant city is the Intersection of S 227rd Street and 7th Avenue S was chosen for several reasons:

- 1- The fact that it has the potential of using CJ Marina for multi-story parking facility for as many as 430 cars parked on a three to four story parking structure is very complementary to the green parking being proposed by our team at the Marina. With this parking, the City of Des Moines will obtain a new capacity of 680 cars most of which can enter and exit the Commercial District without going through the heart of downtown.
- 2- The Second Area will be adjacent to Anthony's Restaurant, the Yacht Club and could be developed to include 5 story structures with retail, office, banking, restaurants, family recreation and movie theaters as well as housing and shopping for people who live in the commercial district and water front areas.
- 3- The Second Area will be at the southern feeder line namely Dock Avenue South and Route 516 or S Ken Des Moines Road connecting to Interstate 5 North- South. Therefore the site will provide easy access to the Main Interstate Highway 5.
- 4- The second area will also present an opportunity for service trucks to serve the Marina through Dock Avenue S and S227th Street to Rout 516 and then to Interstate 5. The same can be said for service trucks to travel north and south on 6th and 8th Avenues S thereby serving the new Marina and Beachfront Park and the Commercial Districts.

Third Area, Commercial District shown above outlined with a red line:

We have also outlined areas where the City of Des Moines can have outreach programs to promote more development and building/site improvements. Our team headed by Allison Raduziner was able to assemble current financial and activity programs that can be used to help support development initiatives resulting in a Vibrant City. Her research included:

1. Main Street Tax Credit Program
2. Forterra – multiple resources and programs

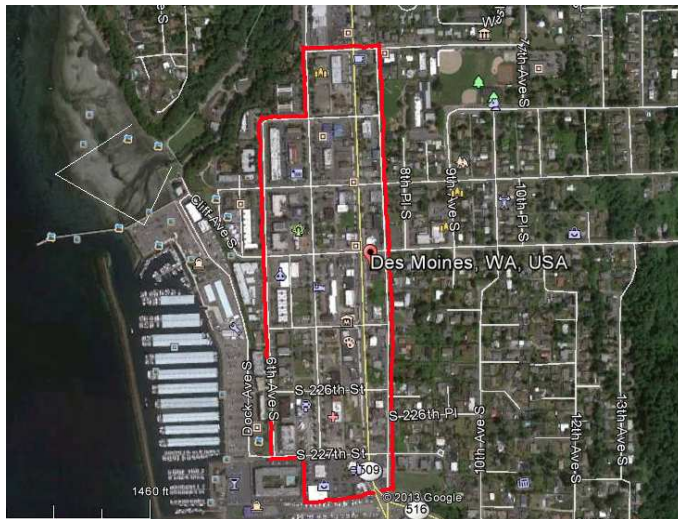
3. Local Revitalization Funding
4. Innovation Partnership Zone and
5. Foreign Trade Zone

A descriptive discussion of each of these programs, their contacts, and what they offer was listed at the end of our answers to 4 questions by the City of Des Moines.

The area is to include the following City Blocks:

East-West: 6th, 7th, Marina View Drive and 8th Avenues S,

North-South: S220/219th, S222th, S223rd, S225th, S226th, S227th and the block south of S227th Avenue including under developed areas east of the Des Moines Yacht Club.



Area Surrounded by Red Line has the Potential for further development

7th Avenue S is to become Green Avenue with Pedestrian Plazas and Bike Paths:

The idea of linking the entire Commercial District through a Green Corridor at 7th Avenue S is to have a peaceful quiet space with the potential of people to walk, shop, enjoy downtown and in creating a social city space for people, to intermingle, meet, discuss and share a great space created by the City in response to human, and economic needs currently not offered in Downtown Des Moines.

It is intended that the development will have crossings for vehicular access (with speed bumps) at each intersection at S220/219th, S222th, S223rd, S225th, S226th, and S227th Streets. These intersections will also serve as emergency vehicles entry and exit points for fire and medical vehicles where access to reach every building located at 7th Avenue S is provided.

The Green Corridor is expected to link the existing Municipal Complex such as the City Library and the City Hall with the Commercial District along S216th Street, 7th PI S and 7th Avenue S.

Parking and Public Transit Considerations:

- 1- As the first step, the project needs to Create Ease of People's Movement by having a Comprehensive Integrated Parking, Car Access and Public Transit System serving the Marina and Beachfront Park as well as Commercial Downtown District all with ease and clarity of scheduled services and dependability,

- 2- The Public Transit is to be studied by Reid Middleton Engineers in creating efficient buses and to be run along 6th Avenue south linking the Marina with Downtown continuing to S 227th Street, picking up passengers from parking facilities at CJ Marina and then traveling north on 8th Avenue to collect passengers to the east of the commercial district up to S220th Street and turning west to 6th Avenue again making a full cycle.

Also the transit buses may continue to connect with the existing Municipal complex and the City Library to the north east of the commercial district (may be at every other bus) as determined by the result of the Transit/traffic Study. The critical stops would be to pick up passengers at Cliff Avenue South and 223rd Street and connect them with their parking facilities at 227th Street at CJ Marina and other parking structures south of 227th Street. The bus routes can be two directional along the designated avenues and streets.

- 3- Creation of green parking locations at the 35 foot drop at Cliff Avenue S and S223rd Street and a much larger parking complex to address the needs of Downtown Parking and Marina and Beach Park Development at CJ Marina and the immediate area to the north of S227th Street will undoubtedly satisfy the needs of parking in the Down Town Areas. Total Parking is estimated to be at 250 cars at the Marina and Beachfront Development and 430 cars at CJ Marina providing an initial capacity of 680 cars not including the parking associated with underground parking at the S223rd and S227th Streets and 7th Avenue developments or the remaining commercial city blocks within the commercial districts.
- 4- There are several opportunities for development within the red outlined area in the above city map that can be either developed with the property owners or by the City depending on the method used for financing, i.e. private, public/private or totally public.
- 5- Street Beautification/ Landscaping, Street and Lighting Improvements is being the most basic effort the City of Des Moines to improve the quality of the commercial District. Coupled with the development we are proposing at 223rd and 227th Streets and pedestrian north-south mall along 7th Avenue S, a motivational element will set in the area and people will begin to notice the need for property upgrades, development by additional work, or total replacement and thus creating new buildings with a new tax base.
- 6- For each and every parcel of property within the identified Commercial District area being considered in this project the Downtown Development, the City of Des Moines would need to meet with each land lord or building owner and workout with them a program whereby they would improve their property (if required) and that the enhancement would be done either privately, publically, combined publically/private through one or two of the financing means we have provided you below. This included money or incentives through zoning, tax increment financing (TIF), transport development rights (TDR's) or other forms of State or local or Federal Grants.

Funding Agreement and Mechanisms:

The City of Des Moines asked the following Question:

4. ***Financing:*** *The City is familiar with the EB-5 program and wants both teams to know that the Des Moines Marina is not considered a distressed area and is therefore not eligible for some parts of the EB-5 program. Our experience with the program is that federal designation is difficult, time-consuming and uncertain. Therefore, we will need*

to be fairly confident of the developer's ability to finance Phase 1 of the project with other financing sources, with documentation provided to support financial capability by the developer. Please submit specific information on the available source of capital for the project.

Pre-Award Conditions:

As a first step towards the procurement of funding, Dr. Ashkouri has started working with multiple sources of investment and real estate, with Ms. Christine Xie of NUAGE Investment and Real Estate of Newton, MA and with Mr. Roger Kimball of Salt Lake City who has been dealing with Iraqi currency exchange and the ancient Chinese Royal Family Investments.

We have also commenced negotiations subject to project award through NUAGE where we are looking at EB-5 \$1 million per investor funding or whole US based funding.

As a condition of our funding arrangement, the City of Des Moines would need to choose a development firm that will be awarded the project. The award will legitimize the investment efforts and make the procurement and funding agreements possible. The City of Des Moines would need to enter into:

- 1- Initiate a Letter of Intent for the Development/Design Agreement with the City selected firm and
- 2- The City and the Developer/Design Firm would need to commence negotiations with the selected firm concerning the land lease agreement.

The money offered to start the work on this job would be difficult to accept by the Design/Development Team as investments fees, commissions and interest commitments are forged with the investors. This cannot happen without an agreement with the City of Des Moines.

The letter of Intent will also allow us to reach out of our immediate circle of investors and contact other agencies and private bankers to engage them in the process of funding.

The agreement with the investors is to procure the additional funding either through their brokerage or go directly to funding banks to complete standard transaction for the commencement of construction of this project. We have outlined the need for \$80 million for the Marina and Beachfront Park Development with \$8 million at the first five months of the job.

Dr. Ashkouri also has been in constant discussions with Mr. Roger Kimball who has provided us with the letter of investment support initially. If the funding is provided by Mr. Kimball, we would then utilize his contribution for the remaining 72% of the Des Moines Project and potentially move forward on the Commercial District developments along S223rd and S227th Streets and 7th Avenue S.

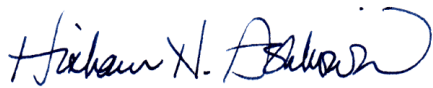
Post Award Conditions:

Post award financing is rather more plentiful. ARCADD, Inc. has already been in discussions with Starwood regarding the Hotel Flagship for managing the hotel component of the Marina Waterfront Park Development. Engaging Starwood in this project will lead to new investment opportunities that would support the hotel or about 1/3 of total investment necessary for the project. This strategy needs to be discussed and shared with Starwood and our investment advisor, Attorney Daniel Larkin of Salans LLP's Hospitality Group, London, UK. Mr. Larkin has worked with Dr. Ashkouri on international investment efforts for different hotels in the US and abroad.

We also believe that having the City of Des Moines being the owner of the Marina at the Beachfront Park Development may open the project for funding from local or state based resources. This has been listed extensively below by Allison Rudiziner and may lead to additional funding for the project.

An "Innovative Partnership Zone" where the city of Des Moines and the private tenants such as the hotel, retail and office can become partners in this innovation is a potential opportunity for attracting the State of Washington to become a contributor to this project where the community's main purpose is to promote local businesses based on a special consideration of Marine Life and Sciences, Recreational Boating, Research and other areas conducive to this innovative concept. We believe that we can work with the City to attract local, State and Federal Programs that can enhance the financing of this project.

The above responses were written by:

A handwritten signature in black ink, appearing to read "Hisham N. Ashkouri". The signature is fluid and cursive, with a large, stylized initial 'H'.

Dr. Hisham Ashkouri, President
ARCADD, Inc./Hisham Ashkouri, Architects and Developers

**Research Completed by Mrs. Allison Raduziner
In attempt to address the Potential Sources of
Funding of the City Development and the
Commercial District**

Creating a Vibrant City

Areas of Assistance to consider for the City of Des Moines

There are a number of tools and aid available for the City of Des Moines that can create a quicker renaissance, and a positive, synergistic connection between the Des Moines Beach Front area and downtown Des Moines. A number of local cities have taken advantage of a variety of benefits, grants, and expertise from the state, associations, organizations and various entities who understand how to build vibrant, dense, but highly livable cities in our area while preserving what makes them special.

Some are described below. These, along with other tools, can create better places to live more quickly with the guidance of the City Staff, Council, and participants in the community. These efforts also build stronger relationships among city staff, elected officials, service entities (fire, police), residents and business owners within these areas. This strength tends to engender more opportunity moving forward.

Some opportunities that are successfully being used by other local cities include:

- 6. Main Street Tax Credit Program**
- 7. Forterra** – multiple resources and programs
- 8. Local Revitalization Funding**
- 9. Innovation Partnership Zone**
- 10. Foreign Trade Zone**

1. Main Street Tax Credit Program

This is a State of Washington program that preserves the historic main street areas of a downtown to help revitalize them. Preserve Washington also has a number of other programs including the Maritime program that may be taken advantage of by the City of Des Moines. With the help of this organization, the city can organize to become eligible for significant tax credit implementation breaks, grants, mentorship, private and public business training and more.

Contact:

Sarah Hansen
Main Street Program Coordinator
shansen@preservewa.org
206-624-9449
www.preservewa.org
<http://preservewa.org/Main-Street.aspx>
<http://preservewa.org/FileLibrary/file/Main%20Street/Main%20Street%20Services%20Description.pdf>

2. Forterra

Forterra creates prosperous, vibrant communities and conserves natural and working landscapes in Washington's central Cascades and Olympic regions. They have a number of tested programs that many local cities are benefitting from. Forterra is the largest conservation and community building organization in the Northwest and is backed by some of the largest corporations and private funds in the state. Areas in which they are active helping cities improve and grow include:

- **Community Planning/Livable Cities**
- **Cascade Agenda** (helping to preserve land, while improving city life through advisement, grants, partnerships, etc.)
- **Transfer Development Rights** - This recently created program allows cities to develop a master plan for a given area in a city, and promises the longevity of a farm, timber, natural area. Forterra, in essence, manages (and finds the money) for the purchase of an area to be preserved and "Transfers" the development rights to a city to create more benefits for developers while creating rules to maintain and improve liveability, walkability, and long term natural amenities within a city.

Overall resources information can be found at:

<http://www.forterra.org/resources>

Program links include:

<http://www.forterra.org/resources/communityplanning>

http://www.forterra.org/resources/the_cascade_agenda

http://www.forterra.org/resources/tdr_reports

Forterra King County Office (Main Office)

901 5th Avenue, Ste. 2200

Seattle WA 98164

Phone: (206) 292-5907

- Gene Duvernoy – Executive Director gduvernoy@forterra.org
- Nicolas Bratton – TDR Coordinator Manager nbratton@forterra.org
- Leda Chahim – Government Affairs Director lchahim@forterra.org
- Nick Cilluffo – Grant and Project Associate ncilluffo@forterra.org

3. Local Revitalization Funding (LRF)

The newly revised 2009 LRF statute authorizes cities to pay for a wide range of public improvements by: 1) using an increased share of local property tax revenues for bonds or on a pay-as-you-go basis; and 2) a state contribution in the form of a local sales/use tax credited against the state tax. The Des Moines Beach Park can be the catalyst for this effort. The new laws provide the opportunity for Des Moines to build improvements to support future economic development projects.

The new LRF laws provide a powerful financing tool, authorizing local governments to “pledge for payments of bonds all or part of any local property tax allocation revenues derived from the public improvements.” “Property tax allocation revenue value” is defined as 75% of any increase in the assessed value of real property in a revitalization areas. Bonding against the increased assessed value allows the city to obtain large amounts of capital in the short term, while using the “pay-as-you-go” option provides smaller amounts of property tax funds over an extended term.

LRF Procedural Checklist

The new legislation creates a set of procedures for accessing LRF. Cities must complete steps of the checklist (found in the statutes in the links below) to be eligible for community revitalization financing. The checklist has the following headers with instructions below each header (instructions omitted). These header categories are:

1. Ordinance Requirements
2. Public-Private Partnership Requirements
3. State Authorization Requirements
4. Bond Authorization Requirements
5. Accountability Report Requirements
6. LRF Funding Conditions

Full information can be found at:

The 2009 LRF Final Bill Report:

<http://apps.leg.wa.gov/documents/billdocs/2009-10/Pdf/Bill%20Reports/Senate%20Final/5045-S2%20SBR%20FBR%2009.pdf>.

The 2009 statutory language changes are at:

<http://apps.leg.wa.gov/documents/billdocs/2009-10/Pdf/Amendments/House/5045-S2%20AMH%20ENGR%20H3059.E.pdf>.

4. **Innovation Partnership Zone** - Washington State Economic Development Program that creates a zone by which Regional Cluster Growth can occur. The area must include education, research, industry and create an economic engine for an area. It is in essence a cluster that generates its own growth.

A group of communities within a city, or including a number of municipalities can be eligible. They form an IPZ Department that must design and implement an innovation partnership zone program through which the state will encourage and support research institutions, workforce training organizations, and globally competitive companies to work cooperatively in close geographic proximity to create commercially viable products and jobs.

The Georgia Pacific site on Bellingham Bay is perhaps the most advanced and successful to date. The following links describe the law, zones, and process. With Des Moines city partnerships and amount of land designated for new business, this may be a viable way to create growth cohesively, and in a more wide spread fashion.

<http://choosewashingtonstate.com/i-need-help-with/site-selection/innovation-partnership-zones/>

<http://apps.leg.wa.gov/rcw/default.aspx?cite=43.330.270>

<http://www.commerce.wa.gov/Documents/IPZ-2013-Fact-Sheet.pdf>

5. **Foreign Trade Zone (FTZ)**

FTZs are areas regulated by the U.S. Foreign Trade Zones Board that can produce, import, and export goods while remaining exempt from U.S. customs duty and other taxes/fees. Manufacturers can obtain a significant cost benefit by making goods inside an FTZ for sale overseas, and for importing parts/materials from overseas for goods to be sold here.

Des Moines can take advantage of its proximity to both Tacoma and Seattle sea ports and may be able to explore using it's own marina for smaller transport to the larger ports. FTZ's can help attract new businesses involved in manufacturing and global trade and could provide a tie into the downtown and Beach Park areas.

FTZ information and application guidelines:

http://ia.ita.doc.gov/ftzpage/forms/nz_asf.doc

One aspect of the application is the physical designation of the zone, which can be an area like a business park or other contiguous space where manufacturing could occur. With the designated 90-acre business park area, this can link the Beach Park, downtown and business park in multiple ways through visitors to the hotels, offices, retail and other amenities in downtown and the FTZ activities at the business park.

Benefits of FTZ creation can include:

- Helping facilitate the creation of manufacturing activity within the community
- Expedited customs procedures to help local firms conduct international trade
- Attracting foreign business activity and aiding retention of domestic activity
- Boosting local economic development efforts
- New and expanded employment opportunities

Creating a Vibrant City – Areas of Assistance

Continued...

The above opportunities are just a few areas of available assistance Des Moines could take advantage of to improve the city, the connectivity of each of its areas and it's economic future and livability. With City leadership and community partnership, the future you envision for Des Moines is possible.

REID MIDDLETON ENGINEERING:

Based on the project needs at the Marina and Beachfront Park Development we came to the conclusion that there should be immediate expertise in Seawall engineering, Transport engineering in addition to structural engineering, especially in providing a cliff standing structural design for a three to four level parking structure with landscaping at the top extending Cliff Avenue South to a landscaped harbor viewing deck and office retail front on the marina side with parking behind. In addition the Reid Middleton Engineering firm will provide support for the Commercial District Development both at S223rd and S227th Streets and 7th Avenue S.

Their assignment will also help in the design and planning of the Transport/transit and parking systems we are calling for in this project.

Attached are the resumes of Mr. Paul Crocker, Shannon Kinsella, Patrick McGrady, and Corbin Hammer in addition to examples of their Transportation projects, seaside and structural engineering projects. Please see attachments in a separate e-mail.